

City of Newaygo  
Newaygo County, Michigan

**REPORT ON FINANCIAL STATEMENTS**  
(with required supplementary information)

June 30, 2025



City of Newaygo

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of Newaygo  
Newaygo, Michigan

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newaygo, Michigan, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Newaygo, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newaygo, Michigan, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Newaygo, Michigan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Newaygo, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Mayor and Members  
of the City Council  
City of Newaygo  
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## **Report on the Audit of the Financial Statements—Continued**

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Newaygo, Michigan’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Newaygo, Michigan’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and Members  
of the City Council  
City of Newaygo  
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**Report on the Audit of the Financial Statements—Continued**

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newaygo, Michigan’s basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of the City of Newaygo, Michigan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Newaygo, Michigan’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Newaygo, Michigan’s internal control over financial reporting and compliance.



Muskegon, Michigan  
November 25, 2025

# CITY OF NEWAYGO, MICHIGAN

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## Management's Discussion and Analysis

The City Manager and staff of the City of Newaygo present to the readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage you to consider the information presented in the financial statements along with the additional information that has been furnished in this letter.

### **FINANCIAL HIGHLIGHTS**

Some financial highlights for the fiscal year ended June 30, 2025 include the following:

- The City completed various paving or repair projects on several streets, drives, and lots during the year for approximately \$91,000.
- Some vehicles and equipment were purchased totaling approximately \$270,000. Some used or obsolete equipment was sold. Proceeds from the sales totaled approximately \$83,000.
- The General Fund fund balance decreased by approximately \$68,000 for the year mostly due to increased costs for public safety. A grant for a police social worker was received to help offset costs for that position.
- Approximately \$713,000 was spent to repair and replace water/sewer/storm mains on W. Wood St. Most of these expenses were funded with grant proceeds. Approximately \$133,000 was spent to replace water service lines to several homes per state requirements.
- Approximately \$175,000 was spent on structural repairs, a new overlook deck, fencing, and pathway maintenance at the old powerhouse building in Riverfront Park.
- The Social Zone behind the downtown businesses was expanded for approximately \$104,000.
- The City acquired some land for development near the Muskegon River for approximately \$75,000.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) notes to the financial statements and 3) fund financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances. These statements are similar to those of a private sector business.

The Statement of Net Position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows or resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

## Management's Discussion and Analysis

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. In the statement of net position and the statement of activities, the City is divided into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including public safety, public works, general administration, community and economic development, and culture and recreation. Property taxes and state shared revenues finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services provided. The City's water and sewer systems are reported here.
- Component unit activities – Component units are separate legal entities for which the City of Newaygo has some level of financial accountability. The City has two component units, the Tax Increment Finance Authority (TIFA) and Local Development Finance Authority (LDFA). TIFA and LDFA exist primarily for the issuance and repayment of debt to finance improvement projects in specific areas of the City.

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant City funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council has established several other funds to help it control and manage money for particular purposes. The City has the following kinds of funds:

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic service it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds in reconciliation along with the fund financial statements.
- Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. The City's enterprise and internal service funds are proprietary funds. The City's water and sewer operations comprise the enterprise funds. The Equipment Pool is the only internal service fund. Proprietary funds are reported in the same way activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail with additional information, such as a statement of cash flows.
- Fiduciary funds - The City is the trustee, or fiduciary, for certain funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of net position and statement of change in net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

### **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information as it relates to the actual expenditures for the major funds.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary information.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis of the government-wide financials focuses mainly on two things, net position (Statement of Net Position) and changes in net position (Statement of Activities) of the City's governmental and business-type activities. The Component Units (TIFA and LDFA) are not included in these figures.

### **Net Position**

The first table presented below is a summary of the government-wide statement of net position for the City of Newaygo. As stated earlier, the net position may be used as an indicator of a government's financial health. As of June 30, 2025, the City's net position from governmental activities totaled approximately \$7,471,000 and \$10,522,000 from business-type activities, creating a total government-wide net position total of approximately \$17,993,000.

In examining the composition of net position, the reader should note that net position for governmental activities are mostly invested in capital assets (i.e., streets, buildings, land, vehicles, equipment, etc.). These assets are used to provide services to the City's residents, and they are not available to pay salaries, operational expenses or fund capital projects. Net investment in capital assets is approximately \$4,496,000. Restricted net position, those restricted mainly for streets and highways, debt service, and capital projects were approximately \$1,600,000. The unrestricted net position for governmental-type activities is approximately \$1,375,000. This represents the amount of discretionary resources that can be used for general governmental operations.

Some of the more significant changes in activities from last year are as follows:

For governmental activities, current assets increased as cash was saved for next year's projects. Capital assets increased due to current year capital asset additions exceeding depreciation. Liabilities increased due to more accounts payable at year-end for ongoing projects.

# CITY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

For business activities, current assets and other assets increased primarily due to building cash reserves and receiving grants for a water system project. Capital assets increased due to current year capital asset additions exceeding depreciation. Current liabilities increased due to more accounts payable at year-end for ongoing projects. Noncurrent liabilities decreased due to scheduled debt retirement.

Net position (in thousands) as of June 30 follows:

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current assets and other assets	\$ 3,629	\$ 3,460	\$ 3,464	\$ 2,527	\$ 7,093	\$ 5,987
Capital assets	4,496	4,235	14,538	14,249	19,034	18,484
Total assets	8,125	7,695	18,002	16,776	26,127	24,471
Current liabilities	270	150	791	423	1,061	573
Noncurrent liabilities	16	14	6,689	6,856	6,705	6,870
Deferred inflows	368	405	-	-	368	405
Total liabilities and deferred inflows	654	569	7,480	7,279	8,134	7,848
Net position						
Net investment in capital assets	4,496	4,234	7,212	7,088	11,708	11,322
Restricted	1,600	1,432	690	704	2,290	2,136
Unrestricted	1,375	1,460	2,620	1,705	3,995	3,165
Total net position	<b>\$ 7,471</b>	<b>\$ 7,126</b>	<b>\$ 10,522</b>	<b>\$ 9,497</b>	<b>\$ 17,993</b>	<b>\$ 16,623</b>

### Changes in Net Position

#### **Governmental Activities**

Regarding revenues, charges for services decreased primarily due to less building department permit revenue. Operating grants and contributions increased primarily due to a grant funding a police social worker position. Capital grants and contributions decreased primarily due to less grant funds received for public works projects (i.e. roads and buildings).

Public safety increased due to more personnel, technology, and training costs. Public works decreased due primarily to less road maintenance expenses. Community and economic development decreased due to less activity with the building department. Culture and recreation decreased due to less activity and maintenance in the parks.

# CITY OF NEWAYGO, MICHIGAN

## Management's Discussion and Analysis

### Business-Type Activities

Regarding revenues, capital grants and contributions increased due to contributions from component units and grants received for water system improvements.

Sewer expenses did not have a significant change. Water expenses increased primarily due to replacement of water service lines to many homes.

Changes in net position (in thousands) for the year ended June 30 follows:

	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	\$ 368	\$ 408	\$ 1,347	\$ 1,303	\$ 1,715	\$ 1,711
Operating grants and contributions	781	689	-	-	781	689
Capital grants and contributions	334	443	1,345	472	1,679	915
General revenues						
Property taxes	354	348	-	-	354	348
Franchise fees	12	14	-	-	12	14
Grants and contributions not restricted	726	777	-	-	726	777
Unrestricted investment earnings	102	90	90	77	192	167
Other	80	76	-	-	80	76
Total revenues	2,757	2,845	2,782	1,852	5,539	4,697
Expenses:						
General government	548	559	-	-	548	559
Public safety	931	736	-	-	931	736
Public works	768	820	-	-	768	820
Community and economic development	22	74	-	-	22	74
Culture and recreation	143	214	-	-	143	214
Sewer	-	-	758	745	758	745
Water	-	-	999	745	999	745
Total expenses	2,412	2,403	1,757	1,490	4,169	3,893
Change in net position	345	442	1,025	362	1,370	804
Net position - Beginning	7,126	6,684	9,497	9,135	16,623	15,819
Net position - Ending	<b>\$ 7,471</b>	<b>\$ 7,126</b>	<b>\$ 10,522</b>	<b>\$ 9,497</b>	<b>\$ 17,993</b>	<b>\$ 16,623</b>

### **ANALYSIS OF THE CITY'S INDIVIDUAL FUNDS**

As stated earlier in this discussion and analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances or the lack thereof, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2025, the City governmental funds reported a combined fund balance of \$2,517,144. This number represents the fund balance of \$916,776 in the General Fund and \$1,600,368 in other governmental funds. The unassigned fund balance in the General Fund represents what is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. During the current fiscal year, the General Fund saw a fund balance decrease of \$68,533.

#### **Enterprise Funds**

The City's Enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. In the financial statements, Sewer Fund and Water Fund are grouped together as "Enterprise Funds". As of June 30, 2025, unrestricted net position of the Sewer Fund and Water Fund were \$789,949 and \$1,678,510 respectively.

The largest single expense item for the Water and Sewer Funds is depreciation expense. With large infrastructure improvements and equipment purchases in the last few years, the City has more and newer capital assets that are depreciated each year.

#### **Component Units**

TIFA finances many of the City's infrastructure projects through property tax revenues and debt issuance, but TIFA normally does not own any of the improvements. The TIFA had an increase in net position of \$157,000. TIFA continues to assist the City with various infrastructure projects. TIFA also owns and operates a facility that serves as a co-working & office space, business incubator, and economic development hub for the area. TIFA debt was refinanced at an interest rate of 1.85% in fiscal year ended June 30, 2020 and is scheduled to be paid off by 2030. Prior interest rates were as high as 7%.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City Council made some budget amendments to the General Fund budget. Revenue amendments primarily related to increased federal and component unit grants. For expenses, amendments primarily related to law enforcement costs, public works activity, and economic development.

The final amended budget to actual showed some budget variances. Regarding revenues, more than expected revenue from federal grants and contributions from local units were received. Regarding expenditures, cemetery, law enforcement, public works, and parks were less than expected due to lower activity or demand for maintenance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2025, the City had \$19,033,713, net of depreciation, invested in a broad range of capital assets including land, buildings, public safety equipment, roads, parks and water and sewer infrastructure. This represents an increase of \$549,332 from last year. This increase was primarily the result of capital asset additions exceeding depreciation. The City had a number of capital asset additions during the year including, but not limited to, acquisition of land and construction work in progress regarding infrastructure.

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 569,528	\$ 493,837	\$ 429,500	\$ 429,500	\$ 999,028	\$ 923,337
Land improvements	225,746	148,880	-	-	225,746	148,880
Building and improvements	694,591	754,458	-	-	694,591	754,458
Furniture, vehicles and equipment	636,413	522,819	25,208	28,041	661,621	550,860
Infrastructure	2,082,952	2,282,217	13,245,850	13,535,010	15,328,802	15,817,227
Construction in progress	286,540	33,265	837,385	256,354	1,123,925	289,619
<b>Total</b>	<b>\$ 4,495,770</b>	<b>\$ 4,235,476</b>	<b>\$ 14,537,943</b>	<b>\$ 14,248,905</b>	<b>\$ 19,033,713</b>	<b>\$ 18,484,381</b>

Additional information on capital assets can be found in the notes to the financial statements.

**Long-Term Debt**

At June 30, 2025, the City had \$7,013,184 in long-term debt outstanding. This amount is comprised of many different debt obligations, most of which is attributed to debts on infrastructure for water and sanitary sewer systems.

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenue bonds	\$ -	\$ -	\$ 6,687,184	\$ 6,823,000	\$ 6,687,184	\$ 6,823,000
General obligation bonds	-	-	213,000	242,000	213,000	242,000
Capital lease	-	1,309	-	-	-	1,309
Compensated absences	78,000	66,216	35,000	30,385	113,000	96,601
<b>Total</b>	<b>\$ 78,000</b>	<b>\$ 67,525</b>	<b>\$ 6,935,184</b>	<b>\$ 7,095,385</b>	<b>\$ 7,013,184</b>	<b>\$ 7,162,910</b>

In addition to the City’s debt, the TIFA component unit had outstanding long-term debt totaling \$760,000. The debt is for a building owned by TIFA that serves as a business incubator, co-working & office space, and economic development hub. Debt issued by the component unit is typically secured by the limited full faith and credit of the City and so it is an important consideration in assessing the City’s overall fiscal health.

Additional information concerning long-term debt can be found in the notes to the financial statements.

### **GENERAL ECONOMIC OVERVIEW**

The City depends on four major sources of income to fund operations: local property taxes, state shared revenues from sales tax, state street funds, and water and sewer utility fees. Clearly, discussion of the City's financial outlook must center on these major income sources.

#### *Local Property Tax*

The current 2025-26 City budget maintains the existing City millage rate of 17.75. The City continues to evaluate the City millage amount as part of an on-going effort by the City Council and staff to levy an appropriate tax that generates revenues sufficient to cover community operations and projects, and promote economic growth. The property tax values for real property are expected to rise due to inflation and increased economic activity and continued high demand for housing.

The City of Newaygo in partnership with the Chamber of Commerce and The Right Place continues to work diligently toward economic growth. Good managed growth will add to the tax revenue of the City and help to reduce the tax burden on each individual taxpayer of the City while improving the quality of life for all citizens. Several new houses have been completed that will add to the City's tax revenue. A couple new restaurants opened in town which creates more jobs for the area and generates new tax revenue. Looking forward, a new apartment complex has started construction (Highbanks Apts) that will have approximately 100 dwelling units. Also, the City is in the process of acquiring approximately 200 acres for development, much of which is expected to be housing. Besides promotion, the City continues to work on beautification of structures and spaces. The downtown social zone has been expanded and a pocket park will be under construction soon for the corner of M37 and Quarterline Rd. These will generate more economic activity for the community. In addition, the Stream Building is an innovative office complex located in downtown Newaygo. It is a multi-purpose facility with various working environments. It serves as a business incubator, co-working and remote work space, and a talent development center with staff focused on economic development. This facility will encourage economic growth for the community through education, job creation, and allowing people to remain in the community to work and recreate. These items will influence the need for housing and commercial property which will affect local property tax revenues. Positive results have been seen as approximately 200 new dwelling units have been built in town over the last couple years. More dwelling units are expected in the coming years.

Another factor influencing property tax revenues is Proposal A (1994). The statewide tax reform act limits growth in taxable value on any individual property to the lesser of inflation or 5%. Because certain properties may increase in value by less than inflation, the result is that the City's total taxable value may grow less than inflation. In addition, almost the entire City is part of a TIFA district. This means that most of the tax revenue available to the General Fund for City operations is capped at a certain amount. This has been true since the formation of the TIFA District back in 1985. However, the Riverbank Project land on the west end of the City is not located in the TIFA district and, if developed, will bring more revenue to the General Fund.

#### *State Shared Revenues*

State shared revenues are based on sales tax revenues. Part of the distribution formula is based on population. The 2020 census showed an increase in the City population by approximately 500 people. With new housing continuing to be built in the City, population is expected to increase thereby resulting in more revenue for the City. Revenues have increased the last couple years. Recent inflation may affect the economy moving forward. Management continues to monitor this situation and the effect any changes will have on the City's budget. Currently, State shared sales tax revenues represent approximately 17% of total General Fund revenues.

### *Street Funds*

The State of Michigan also returns to the City a share of gasoline tax revenues to help fund maintenance and construction of major and local streets and sidewalks in the City. The current formula is largely based off of gallons of fuel used. Fuel usage is expected to decline as newer vehicles are more fuel efficient and electric vehicles becoming more popular, but, in 2025 the State made changes to the road funding method that will result in more funding to local units for roads. During the 2025-26 fiscal year, sidewalks may be added to some streets and repaired on others. Several roads will be repaired using "chip sealing" or paving. These projects are expected to be paid for partly with TIFA funds, since funding received from state fuel tax is not adequate to cover all the costs of major repairs or new construction.

### *Water and Sewer Fees*

The City continues to make improvements in equipment and infrastructure to reduce costs and improve efficiency to prolong the life of the water and sewer systems and reduce the overall burden to users of the system.

In 2020 work was completed at the Wastewater Treatment Plant (WWTP) to replace lagoon liners that have reached the end of their life. Improvements to sewage lift stations and sewer mains/manholes were completed as well. The total project cost was approximately \$6.0 million. The City received assistance from the federal government (USDA Rural Development) to pay for the project.

In 2022, work was completed on new water mains to upgrade/replace old water mains along M37 between East St and Water St. Most of the project was paid for from fund balance. A portion (\$300,000) of the project is financed. The total project cost was approximately \$1,400,000.

In 2024, a water pressure booster station was upgraded to maintain better pressure to the many homes recently constructed in River Hills Estates. A backup generator was also added. In addition, an old sewer lift station on M82 near Edgeview apartments was modernized.

In 2025, old water, sewer, and stormwater pipes were replaced in W. Wood St. Looking forward, the City is preparing to replace approximately 250 water service lines throughout town.

### *Miscellaneous*

The City is doing a number of things to exercise good fiscal responsibility. The City operates various maintenance or replacement programs for vehicles, heavy machinery and office equipment in order to keep maintenance expenses down and to eliminate large capital outlays for wide spread replacements. Lastly, the City recognizes the value of its employees and the need for good, well trained, professional people that exhibit leadership and a positive attitude. With this in mind the City has increased its focus on training, safety, risk management, and people skills. This focus has led to greater operational efficiencies that allows the City to provide quality services with less personnel.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designated to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Office at 28 State Road, PO Box 308, Newaygo, Michigan 49337 or call (231) 652-1657 or visit the City website at [www.newaygocity.org](http://www.newaygocity.org).

City of Newaygo  
**STATEMENT OF NET POSITION**  
June 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 3,020,131	\$ 1,639,942	\$ 4,660,073	\$ 981,789
Receivables				
Accounts	70,046	146,032	216,078	2,872
Leases	34,571	-	34,571	53,347
Due from other governmental units	290,386	742,374	1,032,760	-
Internal balances	(151,588)	151,588	-	-
Inventories	-	31,556	31,556	-
Prepaid items	1,888	-	1,888	-
Total current assets	<u>3,265,434</u>	<u>2,711,492</u>	<u>5,976,926</u>	<u>1,038,008</u>
Noncurrent assets				
Restricted cash and investments	-	752,799	752,799	-
Leases receivable	363,450	-	363,450	75,530
Capital assets, net				
Nondepreciable	856,068	1,266,885	2,122,953	145,733
Depreciable	<u>3,639,702</u>	<u>13,271,058</u>	<u>16,910,760</u>	<u>1,460,015</u>
Total noncurrent assets	<u>4,859,220</u>	<u>15,290,742</u>	<u>20,149,962</u>	<u>1,681,278</u>
Total assets	<u>8,124,654</u>	<u>18,002,234</u>	<u>26,126,888</u>	<u>2,719,286</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	178,720	545,037	723,757	19,385
Due to other governmental units	28,674	-	28,674	14,714
Bonds and other obligations, due within one year	<u>62,400</u>	<u>246,000</u>	<u>308,400</u>	<u>145,000</u>
Total current liabilities	<u>269,794</u>	<u>791,037</u>	<u>1,060,831</u>	<u>179,099</u>
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	<u>15,600</u>	<u>6,689,184</u>	<u>6,704,784</u>	<u>607,830</u>
Total liabilities	<u>285,394</u>	<u>7,480,221</u>	<u>7,765,615</u>	<u>786,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to leases	<u>368,215</u>	<u>-</u>	<u>368,215</u>	<u>128,447</u>
Total liabilities and deferred inflows of resources	<u>653,609</u>	<u>7,480,221</u>	<u>8,133,830</u>	<u>915,376</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,495,770	7,211,767	11,707,537	714,512
Restricted				
Streets and highways	1,362,054	-	1,362,054	-
Debt service	-	217,715	217,715	-
Capital projects	208,377	472,484	680,861	-
Shopping district	26,002	-	26,002	-
Building inspection	3,935	-	3,935	-
Unrestricted	<u>1,374,907</u>	<u>2,620,047</u>	<u>3,994,954</u>	<u>1,089,398</u>
Total net position	<u>\$ 7,471,045</u>	<u>\$ 10,522,013</u>	<u>\$ 17,993,058</u>	<u>\$ 1,803,910</u>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2025

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 548,270	\$ 156,127	\$ 14,046	\$ -	\$ (378,097)	\$ -	\$ (378,097)	\$ -
Public safety	930,501	99,865	304,005	-	(526,631)	-	(526,631)	-
Public works	768,180	81,045	463,248	334,213	110,326	-	110,326	-
Community and economic development	21,627	18,990	-	-	(2,637)	-	(2,637)	-
Culture and recreation	143,262	11,845	-	-	(131,417)	-	(131,417)	-
Total governmental activities	2,411,840	367,872	781,299	334,213	(928,456)	-	(928,456)	-
Business-type activities								
Sewer	757,810	592,449	-	207,675	-	42,314	42,314	-
Water	999,641	754,405	-	1,137,383	-	892,147	892,147	-
Total business-type activities	1,757,451	1,346,854	-	1,345,058	-	934,461	934,461	-
Total primary government	<b>\$ 4,169,291</b>	<b>\$ 1,714,726</b>	<b>\$ 781,299</b>	<b>\$ 1,679,271</b>	(928,456)	934,461	6,005	-
Component units								
Tax Increment Finance Authority	\$ 1,738,334	\$ 146,848	\$ -	\$ -	-	-	-	(1,591,486)
Local Development Finance Authority	260,592	-	-	-	-	-	-	(260,592)
Total component units	<b>\$ 1,998,926</b>	<b>\$ 146,848</b>	<b>\$ -</b>	<b>\$ -</b>	-	-	-	(1,852,078)
General revenues								
Property taxes					353,888	-	353,888	1,498,483
Franchise fees					12,188	-	12,188	-
Grants and contributions not restricted to specific programs					725,906	-	725,906	380,621
Unrestricted investment earnings					101,446	90,239	191,685	78,467
Gain on sale of capital assets					54,178	-	54,178	-
Miscellaneous					25,618	-	25,618	5,107
Total general revenues					1,273,224	90,239	1,363,463	1,962,678
Change in net position					344,768	1,024,700	1,369,468	110,600
Net position at beginning of year					7,126,277	9,497,313	16,623,590	1,693,310
Net position at end of year					<b>\$ 7,471,045</b>	<b>\$ 10,522,013</b>	<b>\$ 17,993,058</b>	<b>\$ 1,803,910</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**BALANCE SHEET**  
 Governmental Funds  
 June 30, 2025

	<b>General Fund</b>	<b>Major Streets Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 711,105	\$ 862,246	\$ 256,137	\$ 552,324	\$ 2,381,812
Accounts receivable	14,071	-	-	4,071	18,142
Due from other governmental units	219,343	53,490	-	17,552	290,385
Lease receivable	398,021	-	-	-	398,021
Prepaid items	1,888	-	-	-	1,888
Total assets	<b>\$ 1,344,428</b>	<b>\$ 915,736</b>	<b>\$ 256,137</b>	<b>\$ 573,947</b>	<b>\$ 3,090,248</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 30,005	\$ 62,146	\$ 63,360	\$ 19,946	\$ 175,457
Accrued liabilities	758	-	-	-	758
Due to other governmental units	28,674	-	-	-	28,674
Total liabilities	59,437	62,146	63,360	19,946	204,889
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to leases	368,215	-	-	-	368,215
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	1,888	-	-	-	1,888
Restricted					
Streets and highways	-	853,590	-	508,464	1,362,054
Shopping district	-	-	-	26,002	26,002
Building inspection	-	-	-	3,935	3,935
Capital projects	-	-	192,777	15,600	208,377
Assigned—subsequent year's budget appropriations	29,233	-	-	-	29,233
Unassigned	885,655	-	-	-	885,655
Total fund balances	916,776	853,590	192,777	554,001	2,517,144
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 1,344,428</b>	<b>\$ 915,736</b>	<b>\$ 256,137</b>	<b>\$ 573,947</b>	<b>\$ 3,090,248</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION**  
 June 30, 2025

Total fund balances—governmental funds		\$ 2,517,144
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost of capital assets	\$ 11,401,601	
Accumulated depreciation	<u>(7,513,047)</u>	3,888,554
Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences		(78,000)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with the governmental activities in the Statement of Net Position.		
Net position of the internal service funds	1,294,935	
Internal balances representing the cumulative difference between actual costs and amounts charged to business-type activities	<u>(151,588)</u>	<u>1,143,347</u>
Net position of governmental activities		<u><b>\$7,471,045</b></u>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
 Governmental Funds  
 For the year ended June 30, 2025

	<b>General Fund</b>	<b>Major Streets Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Property taxes	\$ 353,888	\$ -	\$ -	\$ -	\$ 353,888
Licenses and permits	20,029	-	-	-	20,029
Intergovernmental revenues					
Federal	163,153	-	-	-	163,153
State	342,230	338,638	-	110,116	790,984
Local	526,574	-	152,580	-	679,154
Charges for services	325,637	-	-	68,766	394,403
Fines and forfeitures	11,272	-	-	-	11,272
Investment earnings	42,374	24,479	-	13,052	79,905
Other	46,767	16,205	-	104,495	167,467
Total revenues	1,831,924	379,322	152,580	296,429	2,660,255
<b>EXPENDITURES</b>					
Current					
General government	460,803	-	-	-	460,803
Public safety	936,950	-	-	-	936,950
Public works	264,869	231,813	-	154,358	651,040
Community and economic development	83,733	-	-	20,776	104,509
Culture and recreation	127,907	-	-	4,712	132,619
Capital outlay	26,195	-	248,263	-	274,458
Total expenditures	1,900,457	231,813	248,263	179,846	2,560,379
Excess of revenues over (under) expenditures	(68,533)	147,509	(95,683)	116,583	99,876
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	25,000	25,000
Transfers out	-	(25,000)	-	-	(25,000)
Total other financing sources (uses)	-	(25,000)	-	25,000	-
Net change in fund balances	(68,533)	122,509	(95,683)	141,583	99,876
Fund balances at beginning of year	985,309	731,081	288,460	412,418	2,417,268
Fund balances at end of year	<b>\$ 916,776</b>	<b>\$ 853,590</b>	<b>\$ 192,777</b>	<b>\$ 554,001</b>	<b>\$ 2,517,144</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
 For the year ended June 30, 2025

Net change in fund balances—total governmental funds \$ 99,876

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (366,003)	
Capital outlay	<u>510,113</u>	144,110

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences		(11,784)
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The internal service fund is used by management to charge the costs of equipment used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

Change in net position of the internal service fund	126,784	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(14,218)</u>	<u>112,566</u>

Change in net position of governmental activities		<u><b>\$ 344,768</b></u>
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The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF NET POSITION**  
 Proprietary Funds  
 June 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 744,293	\$ 895,649	\$ 1,639,942	\$ 638,318
Accounts receivable	60,612	85,420	146,032	51,905
Due from other governmental units	-	742,374	742,374	-
Inventories	2,891	28,665	31,556	-
Total current assets	807,796	1,752,108	2,559,904	690,223
Noncurrent assets				
Restricted cash and investments	312,993	439,806	752,799	-
Capital assets				
Land	429,500	-	429,500	-
Utility systems	13,807,817	9,645,164	23,452,981	-
Vehicles and equipment	202,908	101,538	304,446	1,494,271
Construction in progress	165,013	672,372	837,385	-
Less accumulated depreciation	(6,177,206)	(4,309,163)	(10,486,369)	(887,055)
Net capital assets	8,428,032	6,109,911	14,537,943	607,216
Total noncurrent assets	8,741,025	6,549,717	15,290,742	607,216
Total assets	9,548,821	8,301,825	17,850,646	1,297,439
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	127,022	355,415	482,437	2,504
Accrued liabilities	29,400	33,200	62,600	-
Bonds and other obligations, due within one year	94,000	152,000	246,000	-
Total current liabilities	250,422	540,615	791,037	2,504
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	3,056,000	3,633,184	6,689,184	-
Total liabilities	3,306,422	4,173,799	7,480,221	2,504
<b>NET POSITION</b>				
Net investment in capital assets	5,168,857	2,042,910	7,211,767	607,216
Restricted				
Debt service	79,484	138,231	217,715	-
Capital projects	204,109	268,375	472,484	-
Unrestricted	789,949	1,678,510	2,468,459	687,719
Total net position	<b>\$ 6,242,399</b>	<b>\$ 4,128,026</b>	10,370,425	<b>\$ 1,294,935</b>
Adjustment to report the cumulative internal balances for the net effect of the activity between the internal service fund and the enterprise funds over time			151,588	
Net position of business type activities			<b>\$ 10,522,013</b>	

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Proprietary Funds  
For the year ended June 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 590,454	\$ 745,578	\$ 1,336,032	\$ 290,488
<b>OPERATING EXPENSES</b>				
Administration	109,908	133,410	243,318	-
Operations	302,879	569,437	872,316	122,676
Depreciation	278,564	226,524	505,088	116,747
Total operating expenses	<u>691,351</u>	<u>929,371</u>	<u>1,620,722</u>	<u>239,423</u>
Operating income (loss)	(100,897)	(183,793)	(284,690)	51,065
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	35,993	54,246	90,239	21,541
Capital grants	200,000	1,136,683	1,336,683	-
Other revenues	1,995	8,827	10,822	-
Gain on sale of capital assets	-	-	-	54,178
Interest expense	(71,100)	(79,847)	(150,947)	-
Total nonoperating revenue (expenses)	<u>166,888</u>	<u>1,119,909</u>	<u>1,286,797</u>	<u>75,719</u>
Income (loss) before contributions	65,991	936,116	1,002,107	126,784
Capital contributions	<u>7,675</u>	<u>700</u>	<u>8,375</u>	<u>-</u>
Change in net position	73,666	936,816	1,010,482	126,784
Net position at beginning of year	<u>6,168,733</u>	<u>3,191,210</u>	<u>9,359,943</u>	<u>1,168,151</u>
Net position at end of year	<u><b>\$ 6,242,399</b></u>	<u><b>\$ 4,128,026</b></u>	<u><b>\$ 10,370,425</b></u>	<u><b>\$ 1,294,935</b></u>
Net change in net position for total enterprise funds			\$ 1,010,482	
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds			<u>14,218</u>	
Change in net position of business-type activities			<u><b>\$ 1,024,700</b></u>	

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF CASH FLOWS**  
Proprietary Funds  
For year end June 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 582,668	\$ (13,305)	\$ 569,363	\$ -
Receipts from interfund services provided	2,052	8,786	10,838	238,583
Payments to suppliers	(185,339)	(308,918)	(494,257)	(88,250)
Payments to employees	(192,832)	(274,629)	(467,461)	(25,510)
Payment for interfund services used	(42,633)	(74,287)	(116,920)	(9,000)
Net cash provided by (used for) operating activities	163,916	(662,353)	(498,437)	115,823
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(160,907)	(302,695)	(463,602)	(329,397)
Capital grants and contributions	209,670	1,146,210	1,355,880	-
Principal paid on capital debt	(81,000)	(135,000)	(216,000)	(1,309)
Proceeds from the issuance of capital debt	-	51,184	51,184	-
Interest paid on capital debt	(71,700)	(80,447)	(152,147)	-
Proceeds from sale of capital assets	-	-	-	150,644
Net cash provided by (used for) capital and related financing activities	(103,937)	679,252	575,315	(180,062)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment earnings	35,993	54,246	90,239	21,541
Net increase (decrease) in cash and investments	95,972	71,145	167,117	(42,698)
Cash and investments at beginning of year	961,314	1,264,310	2,225,624	681,016
Cash and investments at end of year	<b>\$ 1,057,286</b>	<b>\$ 1,335,455</b>	<b>\$ 2,392,741</b>	<b>\$ 638,318</b>
Reconciliation of cash and investments to the Statement of Net Position				
Cash and investments	\$ 744,293	\$ 895,649	\$ 1,639,942	\$ 638,318
Restricted cash and investments	312,993	439,806	752,799	-
	<b>\$ 1,057,286</b>	<b>\$ 1,335,455</b>	<b>\$ 2,392,741</b>	<b>\$ 638,318</b>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (100,897)	\$ (183,793)	\$ (284,690)	\$ 51,065
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation expense	278,564	226,524	505,088	116,747
Change in assets and liabilities				
Receivables	(5,734)	(7,723)	(13,457)	(51,905)
Due from other governmental units	-	(742,374)	(742,374)	-
Accounts payable	(4,663)	51,845	47,182	117
Due to other governmental units	-	(1,335)	(1,335)	-
Accrued liabilities	(3,354)	(5,497)	(8,851)	(201)
Net cash provided by (used for) operating activities	<b>\$ 163,916</b>	<b>\$ (662,353)</b>	<b>\$ (498,437)</b>	<b>\$ 115,823</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF NET POSITION**  
 Fiduciary Funds  
 June 30, 2025

	<b>Total Custodial Funds</b>	<b>Custodial Funds</b>		
		<b>Tax Collection Agency</b>	<b>Joint Maintenance City/Library</b>	<b>Newaygo Community Recreation Authority</b>
<b>ASSETS</b>				
Cash and investments	\$ 52,265	\$ 14,648	\$ 4,279	\$ 33,338
<b>LIABILITIES</b>				
Accounts payable	3,292	-	-	3,292
Due to other governmental units	14,648	14,648	-	-
Total liabilities	17,940	14,648	-	3,292
<b>NET POSITION</b>				
Restricted for individuals, organizations and other governments	<b>\$ 34,325</b>	<b>\$ -</b>	<b>\$ 4,279</b>	<b>\$ 30,046</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF CHANGES IN NET POSITION**  
 Fiduciary Funds  
 For the year ended June 30, 2025

	<b>Custodial Funds</b>			
	<b>Total Custodial Funds</b>	<b>Tax Collection</b>	<b>Joint Maintenance City/Library</b>	<b>Newaygo Community Recreation Authority</b>
<b>ADDITIONS</b>				
Property tax collections for other governments	\$ 2,580,623	\$ 2,580,623	\$ -	\$ -
Collections on behalf of others	39,272	-	2,000	37,272
Investment earnings	1,303	-	-	1,303
Total additions	2,621,198	2,580,623	2,000	38,575
<b>DEDUCTIONS</b>				
Payments of property taxes to other governments	2,580,623	2,580,623	-	-
Payments on behalf of others	36,715	-	-	36,715
Total deductions	2,617,338	2,580,623	-	36,715
Change in net position	3,860	-	2,000	1,860
Net position at beginning of year	30,465	-	2,279	28,186
Net position at end of year	<b>\$ 34,325</b>	<b>\$ -</b>	<b>\$ 4,279</b>	<b>\$ 30,046</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF NET POSITION**  
Discretely Presented Component Units  
June 30, 2025

	<b>Tax Increment Finance Authority</b>	<b>Local Development Finance Authority</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 749,285	\$ 232,504	\$ 981,789
Receivables			
Accounts receivable	2,872	-	2,872
Leases	53,347	-	53,347
Total current assets	805,504	232,504	1,038,008
Noncurrent assets			
Leases receivable	75,530	-	75,530
Capital assets, net			
Nondepreciable	145,733	-	145,733
Depreciable	1,460,015	-	1,460,015
Net capital assets	1,605,748	-	1,605,748
Total noncurrent assets	1,681,278	-	1,681,278
Total assets	2,486,782	232,504	2,719,286
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	19,385	-	19,385
Due to other governmental units	14,714	-	14,714
Bonds and other obligations, due within one year	145,000	-	145,000
Total current liabilities	179,099	-	179,099
Noncurrent liabilities			
Bonds and other obligations, less amounts due within one year	607,830	-	607,830
Total liabilities	786,929	-	786,929
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to leases	128,447	-	128,447
Total liabilities	915,376	-	915,376
<b>NET POSITION</b>			
Net investment in capital assets	714,512	-	714,512
Unrestricted	856,894	232,504	1,089,398
Total net position	<b>\$ 1,571,406</b>	<b>\$ 232,504</b>	<b>\$ 1,803,910</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**STATEMENT OF ACTIVITIES**  
Discretely Presented Component Units  
For the year ended June 30, 2025

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue Charges for Services</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>		
			<b>Tax Increment Finance Authority</b>	<b>Local Development Finance Authority</b>	<b>Total</b>
<b>Tax Increment Finance Authority</b>					
General government	\$ 287,935	\$ -	\$ (287,935)	\$ -	\$ (287,935)
Public works	803,549	-	(803,549)	-	(803,549)
Community and economic development	231,495	146,848	(84,647)	-	(84,647)
Distributions to other taxing authorities	400,000	-	(400,000)	-	(400,000)
Interest on long-term debt	15,355	-	(15,355)	-	(15,355)
Total Tax Increment Finance Authority	1,738,334	146,848	(1,591,486)	-	(1,591,486)
<b>Local Development Finance Authority</b>					
General government	10,000	-	-	(10,000)	(10,000)
Community and economic development	30,000	-	-	(30,000)	(30,000)
Distributions to other taxing authorities	220,592	-	-	(220,592)	(220,592)
Total Local Development Finance Authority	260,592	-	-	(260,592)	(260,592)
Total discretely presented component units	<b>\$ 1,998,926</b>	<b>\$ 146,848</b>	(1,591,486)	(260,592)	(1,852,078)
<b>General revenues</b>					
Property taxes			1,363,519	134,964	1,498,483
Grants and contributions not restricted to specific programs			311,228	69,393	380,621
Unrestricted investment earnings			69,131	9,336	78,467
Miscellaneous			5,107	-	5,107
Total general revenues			1,748,985	213,693	1,962,678
Change in net position			157,499	(46,899)	110,600
Net position at beginning of year			1,413,907	279,403	1,693,310
Net position at end of year			<b>\$ 1,571,406</b>	<b>\$ 232,504</b>	<b>\$ 1,803,910</b>

The accompanying notes are an integral part of this statement.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Newaygo (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**Reporting Entity**

The City is a municipal corporation governed by an elected six member City Council with an elected mayor and is administered by a City Manager appointed by the City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

***Discretely Presented Component Unit***

*Local Development Finance Authority (LDFA).* The LDFA's purpose is the collection of tax increment revenues, the issuance and repayment of debt and the construction of public facilities to promote and facilitate economic growth in the LDFA's boundaries. Board members of the LDFA are appointed by the City Council, but the LDFA operates as a separate entity. The LDFA can authorize and issue debt independent from the City. The LDFA is presented as a governmental fund type.

*Tax Increment Finance Authority (TIFA).* The TIFA's purpose is the collection of tax increment revenues, the issuance and repayment of debt and the construction of public facilities to promote and facilitate economic growth in the TIFA's boundaries. Board members of the TIFA are appointed by the City Council, but the TIFA operates as a separate entity. The TIFA can authorize and issue debt independent from the City. The TIFA is presented as a governmental fund type.

**Basis of Presentation—Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City's discretely presented component units are reported in a separate column in the government-wide financial statements.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Basis of Presentation—Government-wide and Fund Financial Statements—Continued**

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Streets Fund accounts for money distributed by the State of Michigan for construction and maintenance of major streets within the City.

The Capital Projects Fund is used to account for the activity on capital improvement projects to which the City allocates money.

The City reports the following major enterprise funds:

The Sewer Fund operates the City's sewer system.

The Water Fund operates the City's water distribution system.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for equipment management services provided to other funds of the government on a cost reimbursement basis.

The Custodial Funds are used to report resources that were contributed or collected for the benefit of others.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Basis of Presentation—Government-wide and Fund Financial Statements—Continued**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***Cash and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value (generally based on quoted market prices).

The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The component units' cash and investments are maintained within the City's investment pool.

***Inventories and Prepaid Items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

***Restricted Assets***

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

***Leases***

For noncancellable agreements that qualify as leases for which the City is a lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements for each lease.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate is used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases receivable.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of a lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued**

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<b>Capital Asset Classes</b>	<b>Years</b>
Land improvements	10-20
Buildings and improvements	10-35
Furniture, vehicles and equipment	5-10
Infrastructure and shared improvements	10-50

***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the City in which the City is the lessor. These amounts are recognized as revenue over the term of the lease obligations.

***Net Position Flow Assumption***

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued**

***Fund Balance Flow Assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Revenues and Expenditures/Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***

All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and lien on July 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the City to the County for collection. The County advances the City all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

**Revenues and Expenditures/Expenses—Continued**

***Property Taxes—Continued***

The 2024 state taxable value for real/personal property of the City totaled approximately \$72,130,000 of which approximately \$53,130,000 was captured by the component units. The ad valorem taxes levied consisted of 17.75 mills for the City's operating purposes. This amount is recognized in the General Fund with the capture amounts shown in the TIFA and LDFA component units.

***Compensated Absences***

City employees are granted vacation and sick leave in varying amounts based on length of service. Any vacation which has not been used during the calendar year will be transferred to the employee's paid sick day's accumulation at the end of the year. Upon termination, employees are paid for one-half of their accrued sick days as separation pay. If an employee dies, the full amount of accrued sick days will be paid to the employee's designated beneficiary. Sick leave is accumulated at the rate of one day per month of employment. Employees may accrue unused sick days up to a maximum of 156 hours. On the last day of November of any calendar year, employees may elect to be paid for one-half of the unused sick days which they accumulated during the year (up to a maximum payment of six days).

The liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level.

Appropriations in all budget funds lapse at the end of the fiscal year.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE C—DEPOSITS AND INVESTMENTS**

**Deposits and Investment Risks**

***Interest Rate Risk***

The City's formal investment policy limits investment maturities to two years or less based upon the type of investment.

***Credit Risk***

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

***Concentration of Credit Risk***

The City does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the City investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

***Custodial Credit Risk - Deposits***

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2025, \$5,638,755 of the City's bank balance of \$6,441,466 was exposed to custodial credit risk because it was uninsured and uncollateralized.

***Custodial Credit Risk - Investments***

The City does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

***Foreign Currency Risk***

The City is not authorized to invest in investments which have this type of risk.

**Restricted Assets**

Restrictions are placed on assets by bond ordinance and City Council action. At June 30, 2025, cash and investments in the enterprise funds are restricted as follows:

**Business-type activities**

Water Fund

Bond and interest redemption	\$ 171,431
Repair and replacement	<u>268,375</u>
	439,806

Sewer Fund

Bond reserve	108,884
Repair and replacement	<u>204,109</u>
	<u>312,993</u>
	<u><u>\$ 752,799</u></u>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE C—DEPOSITS AND INVESTMENTS—Continued**

**Restricted Assets—Continued**

After meeting the operation and maintenance and bond and interest redemption requirements of the bond ordinances, all remaining revenues of the system are to be paid to the bond reserve accounts until a sum equal to the maximum annual debt service requirement on the bonds has been accumulated. These amounts were achieved, as required.

**NOTE D—CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 493,837	\$ 75,691	\$ -	\$ 569,528
Construction in progress	33,265	260,675	7,400	286,540
Total capital assets, not being depreciated	527,102	336,366	7,400	856,068
<b>Capital assets, being depreciated:</b>				
Land improvements	1,576,334	114,923	-	1,691,257
Buildings and improvements	1,881,406	175,187	204,442	1,852,151
Furniture, vehicles and equipment	1,654,516	336,589	150,730	1,840,375
Infrastructure	4,746,557	84,880	-	4,831,437
Shared improvements	1,824,584	-	-	1,824,584
Total capital assets, being depreciated	11,683,397	711,579	355,172	12,039,804
<b>Less accumulated depreciation:</b>				
Land improvements	1,427,454	38,057	-	1,465,511
Buildings and improvements	1,126,948	34,019	3,407	1,157,560
Furniture, vehicles and equipment	1,131,697	126,529	54,264	1,203,962
Infrastructure	2,464,340	284,145	-	2,748,485
Shared improvements	1,824,584	-	-	1,824,584
Total accumulated depreciation	7,975,023	482,750	57,671	8,400,102
Total capital assets, being depreciated, net	3,708,374	228,829	297,501	3,639,702
Capital assets, net	<b>\$ 4,235,476</b>	<b>\$ 565,195</b>	<b>\$ 304,901</b>	<b>\$ 4,495,770</b>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE D—CAPITAL ASSETS—Continued**

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 429,500	\$ -	\$ -	\$ 429,500
Construction in progress	256,354	779,018	197,987	837,385
Total capital assets, not being depreciated	685,854	779,018	197,987	1,266,885
<b>Capital assets, being depreciated:</b>				
Sewer system	13,609,830	197,987	-	13,807,817
Water system	9,630,056	15,108	-	9,645,164
Equipment	304,446	-	-	304,446
Total capital assets, being depreciated	23,544,332	213,095	-	23,757,427
<b>Less accumulated depreciation:</b>				
Sewer system	5,718,021	276,091	-	5,994,112
Water system	3,986,855	226,164	-	4,213,019
Equipment	276,405	2,833	-	279,238
Total accumulated depreciation	9,981,281	505,088	-	10,486,369
Total capital assets, being depreciated, net	13,563,051	(291,993)	-	13,271,058
Capital assets, net	<b>\$ 14,248,905</b>	<b>\$ 487,025</b>	<b>\$ 197,987</b>	<b>\$ 14,537,943</b>

**Depreciation**

Depreciation expense has been charged to functions as follows:

**Governmental activities:**

General government	\$ 41,290
Public safety	668
Public works	298,313
Culture and recreation	25,732
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	116,747
	<b>\$ 482,750</b>

**Business-type activities:**

Sewer	\$ 278,564
Water	226,524
	<b>\$ 505,088</b>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE D—CAPITAL ASSETS—Continued**

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
<b>Component units:</b>				
<b>Capital assets, not being depreciated:</b>				
Tax Increment Finance Authority				
Land	\$ 145,733	\$ -	\$ -	\$ 145,733
<b>Capital assets, being depreciated:</b>				
Tax Increment Finance Authority				
Building and improvements	2,430,126	-	-	2,430,126
<b>Less accumulated depreciation:</b>				
Tax Increment Finance Authority				
Buildings and improvements	922,970	47,141	-	970,111
Total capital assets, being depreciated, net	1,507,156	(47,141)	-	1,460,015
Capital assets, net	<b>\$ 1,652,889</b>	<b>\$ (47,141)</b>	<b>\$ -</b>	<b>\$ 1,605,748</b>

**Depreciation**

Depreciation expense has been charged to functions as follows:

Community and economic development	<b>\$ 47,141</b>
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**NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Transfers:**

During the year ended June 30, 2025, the Major Streets Fund transferred \$25,000 to the Local Streets Fund for capital projects.

**Component Unit Transactions:**

The TIFA and LDFA contributed the following amounts to the City for the year ended June 30, 2025:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>Capital activities</b>		
TIFA	\$ 192,182	\$ 543,000
<b>Operating activities</b>		
TIFA	35,000	-
LDFA	10,000	-
	<b>\$ 237,182</b>	<b>\$ 543,000</b>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE F—LEASES**

**Leases Receivable**

The City leases space on their water tower to a telephone company. The five-year agreement was signed in July 2020 and has two five-year options which are expected to be exercised. The agreement calls for monthly payments of \$3,155 during the most recent renewal, with monthly rent to increase by ten percent at each renewal period. For the year ended June 30, 2025, the City recognized rental income and interest income related to the above lease of \$30,190 and \$7,666, respectively.

The City leases office space located at The Stream to a local corporation. The three-year lease agreement was signed in April 2025. The agreement calls for monthly payments of \$4,597 during the initial period. Monthly rent increases by three percent each term year. For the year ended June 30, 2025, the City recognized rental income and interest income related to the above lease of \$8,746 and \$448, respectively.

The future minimum payments to be received for these leases are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>TIFA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 34,571	\$ 7,071	\$ 53,347	\$ 2,092
2027	35,216	6,426	56,102	1,001
2028	35,873	5,769	19,428	81
2029	36,542	5,100	-	-
2030	37,224	4,418	-	-
Thereafter	218,595	10,435	-	-
	<b>\$ 398,021</b>	<b>\$ 39,219</b>	<b>\$ 128,877</b>	<b>\$ 3,174</b>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2025

**NOTE G—LONG-TERM DEBT**

The City issues bonds, notes and other contractual commitments to provide for infrastructure, the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

**Summary of Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities activity for the City for the year ended June 30, 2025:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2025</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Notes from direct borrowings and direct placements	\$ 1,309	\$ -	\$ 1,309	\$ -	\$ -
Compensated absences*	66,216	11,784	-	78,000	62,400
Governmental activities long-term liabilities	<b>\$ 67,525</b>	<b>\$ 11,784</b>	<b>\$ 1,309</b>	<b>\$ 78,000</b>	<b>\$ 62,400</b>
<b>Business-type activities:</b>					
Public placement debt					
Revenue bonds	\$ 6,823,000	\$ 51,184	\$ 187,000	\$ 6,687,184	\$ 189,000
General obligation bonds	242,000	-	29,000	213,000	29,000
Compensated absences*	30,385	4,615	-	35,000	28,000
Business-type activities long-term liabilities	<b>\$ 7,095,385</b>	<b>\$ 55,799</b>	<b>\$ 216,000</b>	<b>\$ 6,935,184</b>	<b>\$ 246,000</b>
<b>Component units:</b>					
Public placement debt					
Tax Increment Bonds	\$ 900,000	\$ -	\$ 140,000	\$ 760,000	\$ 145,000
Discount	(8,764)	-	(1,594)	(7,170)	-
Component units long-term liabilities	<b>\$ 891,236</b>	<b>\$ -</b>	<b>\$ 138,406</b>	<b>\$ 752,830</b>	<b>\$ 145,000</b>

\*The change in the compensated absences liability is presented as a net change.

The business-type activities revenue bonds are secured by revenues of the City. If the City defaults, the bonds are callable.

The governmental activities notes from direct borrowings and direct placements are comprised of a capital lease.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE G—LONG-TERM DEBT—Continued**

**Summary of Changes in Long-Term Liabilities—Continued**

Revenue bonds, tax increment bonds, and notes from direct borrowings and direct placements consist of the following:

	<b>Interest Rate</b>	<b>Date of Maturity</b>	<b>Balance</b>
<b>Public Placement Debt</b>			
<b>Business-type activities:</b>			
<b>Bonds:</b>			
2024 Water Supply System Revenue bonds	2.00%	April 2056	\$ 51,184
2021 Water Supply System Revenue bonds	1.31% to 2.8%	August 2043	1,055,000
2013 Water Supply System Bonds	2.125%	August 2053	2,446,000
2021 General Obligation Limited Tax bond	.61% to 1.41%	August 2031	213,000
2021 Sewage Disposal System Revenue bonds	1.31% to 2.8%	August 2043	927,000
2018A Sanitary Sewer System Bonds	2.125%	August 2058	1,332,000
2018B Sanitary Sewer System Bonds	2.375%	August 2058	876,000
			<b>\$ 6,900,184</b>
 <b>Component units:</b>			
<b>Limited tax development:</b>			
2019 Tax Increment Refunding Bonds	1.85%	June 2030	<b>\$ 760,000</b>

For governmental activities, claims and judgments are generally liquidated by the General Fund.

The City was in compliance in all material respects with all the revenue bond ordinances at June 30, 2025.

Annual debt service requirements to maturity for public placement debt and for direct borrowings and direct placements outstanding as of June 30, 2025 follow:

<b>Year Ending June 30,</b>	<b>Business-type Activities</b>		<b>Component Units</b>	
	<b>Public Placement Debt</b>		<b>Public Placement Debt</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 218,000	\$ 149,262	\$ 145,000	\$ 12,719
2027	235,000	145,438	150,000	9,990
2028	243,000	141,118	150,000	7,215
2029	247,000	136,610	155,000	4,394
2030	247,184	131,603	160,000	1,480
2031-2035	1,166,000	582,711	-	-
2036-2040	1,239,000	448,471	-	-
2041-2025	1,270,000	292,594	-	-
2046-2050	848,000	176,676	-	-
2051-2055	835,000	80,608	-	-
2056-2059	352,000	15,879	-	-
	<b>\$ 6,900,184</b>	<b>\$ 2,300,970</b>	<b>\$ 760,000</b>	<b>\$ 35,798</b>

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE H—OTHER INFORMATION**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City manages its liability and property risk by participating in the Michigan Municipal Liability and Property Pool (MMLPP), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MMLPP for its insurance coverage. The MMLPP is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City manages its workers' compensation risk by participating in the Michigan Municipal Workers' Compensation Fund (MMWCF), a public entity risk pool providing workers' compensation coverage to its participating members. The City pays an annual premium to MMWCF for its workers' compensation coverage. The MMWCF is self-sustaining through member premiums and provides statutory workers' compensation coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City carries commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Jointly Governed Organizations**

The City, in conjunction with other governmental entities, created the Newaygo Community Recreation Authority (NCRA) to operate recreation programs in the area. The Authority is comprised of two members from each participating entity. The NCRA board annually assesses participating entities in projected amounts required to subsidize the Authorities' annual operations.

The City, in conjunction with other governmental entities, created the Newaygo Fire District Command Board to operate a community wide fire protection services. The District is governed by a seven member board and was incorporated under the provisions of MCLA #321 in Michigan for the purpose of providing fire protection and rescue services for the three participating municipalities. The Board annually assesses participating entities in projected amounts required to subsidize the annual operations.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2025

**NOTE H—OTHER INFORMATION—Continued**

**Commitments**

The City has several contracts for various construction projects as of June 30, 2025 with a remaining amount of \$1,774,533. These commitments are to be paid out of available funds as follows, with approximately \$990,000 of Water Fund commitments to be funded with bond proceeds:

Fund	Amount
TIFA	\$ 20,069
Sewer	35,575
Water	1,718,889
	<b>\$ 1,774,533</b>

**NOTE I—PENSION PLANS**

**Defined Contribution Plans**

The City provides pension benefits for all of its full-time salaried employees through the City of Newaygo Administrative Plan (a defined contribution plan). In the defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Salaried employees, who have attained the age of 18, have completed ninety days of service shall be eligible to participate in the plan. The plan requires the City to contribute an amount equal to 8 percent of the employee's annual compensation each plan year and employees can irrevocably elect to contribute 2 percent of their annual compensation. Plan provisions and contribution requirements are established and may be amended by the City Council. The plan administrator is ICMA-Retirement Corporation. For fiscal year 2025, the City's total contribution was approximately \$34,900, and the employee contributions were approximately \$8,700.

The City provides pension benefits for all of its full-time hourly employees through the City of Newaygo Hourly Employees Retirement Plan (a defined contribution plan). In the defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Hourly employees, who have attained the age of 18, have completed ninety days of service shall be eligible to participate in the plan. The plan requires the City to contribute an amount equal to 8 percent of the employee's annual compensation each plan year and employees can irrevocably elect to contribute 2 percent of their annual compensation. Hourly employees are 20 percent vested in the City contributions and earnings allocated to the employee account for each year of service. Any forfeitures are reallocated to participants with the regular contribution. Plan provisions and contribution requirements are established and may be amended by the City Council. The plan administrator is ICMA-Retirement Corporation. For fiscal year 2025, the City's total contribution was approximately \$67,800 and the employee contributions were approximately \$17,000. Employees are immediately vested in their own contributions and earnings on those contributions and become vested in the City's contributions and earnings on the City's contributions by 20 percent for each full year of service, leaving employees fully vested after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended June 30, 2025, there were no forfeitures.

City of Newaygo  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE I—PENSION PLANS—Continued**

**Retirement Health Savings Account**

The City offers its employees a retirement health savings account which is a defined contribution plan administered by ICMA. The plan, available to all full time City employees, can only be used to fund health care costs during retirement. The plan requires the City to contribute certain excess compensated absences amounts to the plan each year. For the year ended June 30, 2025, the City's contribution to the plan was approximately \$18,600.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

**NOTE J—ECONOMIC DEPENDENCY**

**General Fund**

The City's General Fund property tax revenue growth is limited due to the TIFA and LDFA, which capture property tax value increases. The General Fund's property tax value captured by the TIFA and LDFA is approximately 74 percent of the City's property tax value base. Property tax revenues represent approximately 19 percent of the General Fund's revenues.

**NOTE K—TAX ABATEMENTS**

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Developments Act, (known as the Industrial Facilities Exemptions or IFTs) PA 198 of 1974, as amended. The IFTs provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at half the local property tax millage rate applicable to other real and personal property in the City for a term of one to twelve years as determined by the City.

For the year ended June 30, 2025, the City abated property taxes revenues totaling \$80,600 under this program.

**NOTE L—SUBSEQUENT EVENT**

Subsequent to June 30, 2025, the City entered into contracts with various third parties to perform sidewalk improvements for approximately \$374,000. These improvements are expected to be funded with fund balance from the Major and Local Streets Funds and the LDFA.

**REQUIRED SUPPLEMENTARY INFORMATION**

City of Newaygo  
Required Supplementary Information  
**BUDGETARY COMPARISON SCHEDULE**  
General Fund  
For the year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 340,000	\$ 353,200	\$ 353,888	\$ 688
Licenses and permits	26,500	19,500	20,029	529
Intergovernmental revenues				
Federal	8,300	118,000	163,153	45,153
State	323,600	337,600	342,230	4,630
Local	433,000	512,000	526,574	14,574
Charges for services	322,700	332,700	325,637	(7,063)
Fines and forfeitures	18,000	18,000	11,272	(6,728)
Investment earnings	24,000	34,000	42,374	8,374
Other	141,000	56,000	46,767	(9,233)
Total revenues	1,637,100	1,781,000	1,831,924	50,924
<b>EXPENDITURES</b>				
Current				
General government				
City Council	44,546	45,246	33,465	11,781
City manager	53,675	53,675	46,244	7,431
Elections	11,820	11,820	4,925	6,895
Board of review	1,275	1,275	1,230	45
Clerk	34,262	34,739	32,922	1,817
Treasurer	50,749	50,749	46,625	4,124
Assessor	27,222	29,800	26,840	2,960
Attorney	40,000	42,000	38,025	3,975
City offices	150,953	167,340	157,067	10,273
Cemetery	96,410	96,410	73,460	22,950
Public safety				
Law enforcement	732,457	962,100	936,950	25,150
Public works	250,574	297,201	264,869	32,332
Community and economic development				
Planning	8,800	87,500	83,733	3,767
Culture and recreation				
Parks	144,437	156,137	127,907	28,230
Capital outlay	35,000	35,000	26,195	8,805
Total expenditures	1,682,180	2,070,992	1,900,457	170,535
Net change in fund balance	<u>\$ (45,080)</u>	<u>\$ (289,992)</u>	(68,533)	<u>\$ 221,459</u>
Fund balance at beginning of year			985,309	
Fund balance at end of year			<u>\$ 916,776</u>	

City of Newaygo  
Required Supplementary Information  
**BUDGETARY COMPARISON SCHEDULE**  
Major Streets Fund  
For the year ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues—State	\$ 385,710	\$ 336,000	\$ 338,638	\$ 2,638
Investment earnings	12,000	20,000	24,479	4,479
Other	82,710	16	16,205	16,189
Total revenues	480,420	356,016	379,322	23,306
<b>EXPENDITURES</b>				
Current				
Public works	485,057	353,737	231,813	121,924
Excess of revenues over (under) expenditures	(4,637)	2,279	147,509	145,230
<b>OTHER FINANCING USES</b>				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	<u>\$ (29,637)</u>	<u>\$ (22,721)</u>	122,509	<u>\$ 145,230</u>
Fund balance at beginning of year			<u>731,081</u>	
Fund balance at end of year			<u>\$ 853,590</u>	

**OTHER SUPPLEMENTARY INFORMATION**

City of Newaygo  
**COMBINING BALANCE SHEET**  
 Other Governmental Funds  
 June 30, 2025

	<b>Total Other Governmental Funds</b>	<b>Special Revenue Funds</b>			<b>Capital Projects Fund</b>
		<b>Local Streets</b>	<b>Principal Shopping District</b>	<b>Building Inspection</b>	<b>Disc Golf</b>
<b>ASSETS</b>					
Cash and investments	\$ 552,324	\$ 506,898	\$ 25,837	\$ 3,989	\$ 15,600
Accounts receivable	4,071	-	1,729	2,342	-
Due from other governmental units	17,552	17,552	-	-	-
<b>Total assets</b>	<b>\$ 573,947</b>	<b>\$ 524,450</b>	<b>\$ 27,566</b>	<b>\$ 6,331</b>	<b>\$ 15,600</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 19,946	\$ 15,986	\$ 1,564	\$ 2,396	\$ -
<b>FUND BALANCES</b>					
Restricted					
Streets and highways	508,464	508,464	-	-	-
Capital projects	15,600	-	-	-	15,600
Shopping district	26,002	-	26,002	-	-
Building inspection	3,935	-	-	3,935	-
<b>Total fund balances</b>	<b>554,001</b>	<b>508,464</b>	<b>26,002</b>	<b>3,935</b>	<b>15,600</b>
<b>Total liabilities and fund balances</b>	<b>\$ 573,947</b>	<b>\$ 524,450</b>	<b>\$ 27,566</b>	<b>\$ 6,331</b>	<b>\$ 15,600</b>

City of Newaygo  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
 Other Governmental Funds  
 For the year ended June 30, 2025

	<b>Total Other Governmental Funds</b>	<b>Special Revenue Funds</b>			<b>Capital Projects Fund</b>
		<b>Local Streets</b>	<b>Principal Shopping District</b>	<b>Building Inspection</b>	<b>Disc Golf</b>
<b>REVENUES</b>					
Intergovernmental revenues—State	\$ 110,116	\$ 110,116	\$ -	\$ -	\$ -
Charges for services	68,766	-	49,776	18,990	-
Investment earnings	13,052	12,167	885	-	-
Other	104,495	104,495	-	-	-
<b>Total revenues</b>	<b>296,429</b>	<b>226,778</b>	<b>50,661</b>	<b>18,990</b>	<b>-</b>
<b>EXPENDITURES</b>					
Current					
Public works	154,358	103,769	50,589	-	-
Community and economic development	20,776	-	-	20,776	-
Culture and recreation	4,712	-	-	-	4,712
<b>Total expenditures</b>	<b>179,846</b>	<b>103,769</b>	<b>50,589</b>	<b>20,776</b>	<b>4,712</b>
Excess of revenues over (under) expenditures	116,583	123,009	72	(1,786)	(4,712)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	25,000	25,000	-	-	-
Net change in fund balances	141,583	148,009	72	(1,786)	(4,712)
Fund balances at beginning of year	412,418	360,455	25,930	5,721	20,312
Fund balances at end of the year	<b>\$ 554,001</b>	<b>\$ 508,464</b>	<b>\$ 26,002</b>	<b>\$ 3,935</b>	<b>\$ 15,600</b>